
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 8.5.2009

Wall Street Journal: "Ban on Flash Orders Is Considered by SEC ... The Securities and Exchange Commission said it is considering a ban of "flash" orders, marking the firmest sign yet of the regulator's heightened scrutiny of cutting-edge electronic trading."

Wall Street Journal: "Two Traders Will Urge Changes in Gas Market ... A former Enron trader who is one of the energy markets' largest speculators plans to make a surprising recommendation to commodities regulators: rein in the ability of traders like him to influence prices."

Wall Street Journal: "Banks Get Picky In Doling Out Credit Cards ... After years of mailing cards out to just about anybody, banks are suddenly freezing out all but the most creditworthy customers. Those who do get cards have to jump through more hoops, such as sending in copies of their pay stubs. And they're being hit with higher rates and fees."

Wall Street Journal, Editorial: "The \$100 Million Banker ... Fearing the political backlash about Mr. Hall's mega-payday, Citigroup has been refusing the \$100 million it owes him for 2009 under the terms of his contract. Given that the federal government is now Citi's largest shareholder, the compensation is difficult enough to defend in the press, and it may be impossible to get past new Obama pay czar Kenneth Feinberg, who is reviewing compensation at the seven firms receiving the largest taxpayer bailouts."

Wall Street Journal, Ryan: "The SEC vs. CEO Pay ... A lawsuit filed on July 22 by the Securities and Exchange Commission (SEC) should send a mid-summer chill down the spine of every chief executive and chief financial officer of a U.S. public company."

New York Times, Dealbook: "Who's Modifying Mortgages? ... Washington has pushed hard for the nation's bailed-out financial institutions to give troubled homeowners a break as well. But according to data released by the Treasury Department on Tuesday, some big banks are moving much faster than others to modify mortgages that they service under the government's Making Home Affordable program."

Washington Post: "Bank Regulators Resist Reform ... The nation's banking regulators are defying pressure from the Obama administration to line up in support of key proposed reforms, testifying before Congress on Tuesday that elements of the plan would actually weaken oversight of the financial industry."

Washington Post: "Bank Balances Shift With Rule Changes ... A controversial change in accounting rules earlier this year has allowed banks to claim billions of dollars in additional earnings simply by tweaking their bookkeeping, greatly enhancing the appearance that the industry is returning to health."

USA Today: "Home sellers frustrated as short-sale deals collapse ... Scores of homeowners who thought they'd cut a deal with their banks to sell their houses for less than their unpaid mortgages are seeing those agreements fall apart months later, contributing to the mounting foreclosures that threaten the housing market's recovery."

Los Angeles Times: "Banks slow to modify mortgages, Treasury reports ... Only 9% of eligible home loans have been changed under the Obama program. BofA and Wells Fargo, which participated even less, say the report doesn't reflect modifications made outside the plan."

BusinessWeek: "Mortgage Modifications Can't Catch Foreclosures ... Lenders have modified more than 235,000 mortgages under an Obama Administration program, but the first half of 2009 saw 1.8 million foreclosures."

Forbes, Cooley: "Fed Cred ... I think Mr. Bernanke deserves a more generous interpretation. He has set out to improve the image of the Fed with the general public. This is an important undertaking, because there appears to be a growing and pernicious notion that the Fed operates like the puppeteer behind the curtain, manipulating the financial system to preserve entrenched financial interests."